

Exhibit 3

From: Chen, Depin (Theping) [theping.chen@veolia.com]

Sent: Monday, February 02, 2015 12:23 AM

To: David Gadis

CC: Nicholas, Robert; Low, Manshi; Cathy Dennis; Jonathan Carpenter; Marvin Gnagy

Subject: Re: Flint, Michigan

Chen Deposition

Exhibit

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EL1789-CAK 11/23/2019

I just want to share with you some of the information I found out after today's conference call.

I should correct my original guesses of why no other consultants have responded to the RFP. The consultant may be expected to play a difficult role.

First, the residents are unhappy with many aspects of the water quality, mainly judging from the aesthetic quality (color, taste, solids, and smell) and some perceived health issues (skin rashes, even dog death, etc.) The City and the Mayor are insisting the water is safe, the MDEQ won't issue a blank statement as it only regulates specific water quality parameters such as TTHMs but not aesthetic water quality. The City and MDEQ agree that TTHMs only affects a small population.

Some citizens, now with the support from Erin Brockovich, are organizing protests and even threaten lawsuits against the City (some even suggest past consultants).

Link to Erin Brockovich news:

<http://patch.com/michigan/fenton/erin-brockovich-keeping-eye-flints-poop-water-0>

City of Flint has long been suffering financial problems, and has disputes with the DWSD regarding its water rates. The decision to terminate contract with DWSD and join the Karegnondi Water Authority is a way to gain control and achieve savings from the \$12M annual cost for buying DWSD water. One consultant's estimates are \$50M to upgrade the plant to treat Flint River water and \$10M to upgrade the plant to treat Lake Huron Water (when the pipeline is ready in summer 2016). The City has spent \$7M on plant upgrade so far (not sure for pipeline or process, there is \$0.75M for a new roof).

According to the news and the following link of NBC News, DWSD has just offered to reconnect the DWSD supply line to Flint with no strings attached (no re-connection fee, no long term contract). Many residents are asking to have the DWSD water back (until the new pipeline is ready), including some of the council members. City Emergency Manager and Mayor have insisted the approach of using an outside consultant to solve the problem in 30-60 days.

Link to Local NBC News.

https://www.youtube.com/watch?v=MYXrC_aqkRk

My assessment is that the City's expectation on the consultant is unrealistic. There is no small tweaking will allow the City to comply with the TTHMs regulation, or implement any engineering solutions to reduce TTHMs within 30-60 days. Yet, TTHMs is not even in most of residents mind. Their concerns are of overall water quality issues comparing to DWSD water.

The cheapest and highly effective alternative may be to switch to chloramine as secondary disinfectant. Others quick and cheap solutions may include aeration in the clearwell or storage tanks. These will cost a few million dollars and take several months at least to construct and implement, and more time to optimize. There may still some changes could upset the residents. Especially Erin Brockovich is against chloramine, and there will be activists and residents who distrust City will launch public campaign against it. The amount of time and effort spent may not be worth it or delay the implementation too much to be of any real value. The City will have no use of the chloramine system when the Lake Huron Water is online.

Chloramine alone may not work. Any additional TOC reduction measures including MIEX, GAC

contactor (as used in Celina Ohio on similar TOC water) and UV system (for primary disinfectant) may cost up to \$10M each. Even the upgrades (will need 6 months or longer to implement) will address the TTHMs issues, the residents may still find the faults with it when comparing to DWSD water, and blame any unrelated issues (such as plumbing problems caused red water) to the Flint River water.

It seems that reconnecting to the DWSD for the next two years will be the best solution to satisfy the residents and activists. The Emergency Manager and Mayor may not like it for political (mostly) and financial reasons, they should not have unrealistic and false hopes either.

Best regards,
Theping

On 1 February 2015 at 13:58, David Gadis <david.gadis@me.com> wrote:
Thanks

Sent from my iPhone

On Feb 1, 2015, at 1:39 PM, "Depin (Theping) Chen" <theping.chen@veolia.com> wrote:

Just saw the e-mail string. I will call in.

On Feb 1, 2015, at 1:18 PM, Nicholas, Robert <robert.nicholas@veolia.com> wrote:

I will be on it

On Sunday, February 1, 2015, David Gadis <david.gadis@me.com> wrote:

We will have a call a call at 2:00pm est. call in info is as follows: 866-506-1253

Pass code: 765-592-1146. I hope you can each join. Thanks

Sent from my iPhone

On Feb 1, 2015, at 12:04 PM, David Gadis <david.gadis@me.com> wrote:

Thanks Manshi.

Sent from my iPhone

On Feb 1, 2015, at 11:47 AM, "Low, Manshi" <manshi.low@veolia.com> wrote:

I'm available all day today except 3-5 pm EST.

On Feb 1, 2015 8:29 AM, "David Gadis" <david.gadis@me.com> wrote:

Ok, you are correct, I am in the air at that time. I want to talk about how we handle questions, such as, if asked for an overview of our proposal and how long will this take? Who and how do we answer? I will set a call for today once I hear from others. Thanks

Sent from my iPhone

On Feb 1, 2015, at 11:22 AM, "Nicholas, Robert" <robert.nicholas@veolia.com> wrote:

Good morning

I am available today.

Have a call set up for tomorrow at 10 am with Marvin and the Theping. I think you said you would be in the air.

We haven't heard back from Marvin on that and he shows being out all day so don't know that he is available for either call.

On Sunday, February 1, 2015, David Gadis

<david.gadis@me.com> wrote:

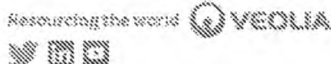
Team, I hate to bother you on a Sunday especially Super Bowl Sunday. But I think we need to talk before our call with Flint tomorrow. Can we talk today before you all start your game time fun? Thanks

Sent from my iPhone

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Rob Nicholas
Vice President, Development
Municipal & Commercial
Business
VEOLIA NORTH AMERICA

tel +1 859 582 0104
5071 Endview Pass /
Brooksville, FL 34601
Robert.Nicholas@veolia.com
www.veolianorthamerica.com



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Rob Nicholas
Vice President, Development
Municipal & Commercial Business
VEOLIA NORTH AMERICA

tel +1 859 582 0104
5071 Endview Pass / Brooksville, FL 34601
Robert.Nicholas@veolia.com
www.veolianorthamerica.com



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Theping Chen
Technical Manager
Municipal & Commercial Business
VEOLIA NORTH AMERICA

tel +1 216 379 4110 (Please note my new cell phone number)
7340 Hillside Lane / Solon, OH 44139
theping.chen@veolia.com
www.veolianorthamerica.com

